



## QUARTERLY ACTIVITY STATEMENT

### JUNE 2012 QUARTER HIGHLIGHTS

#### Deflector Project Highlights

- **BFS completed confirming Mutiny's Deflector Project as a premium, low cost Gold Copper Project**
- **Maiden High Grade Ore Reserves confirmed at Deflector**
- **Further high grade results from diamond drilling at Deflector**

#### INTRODUCTION

Mutiny Gold Ltd ("Mutiny" or "the Company") (ASX:MYG) is pleased to provide its Quarterly Activity Report for the quarter ended 30 June 2012, which further demonstrates that Mutiny is well on target to achieve its objective of becoming a significant and profitable gold producer at the Deflector Deposit, the lead project at its Gullewa Project in Western Australia.

#### BFS CONFIRMS DEFLECTOR AS A PREMIUM GOLD COPPER PROJECT

##### Highlights:

- **Bankable Feasibility Study confirms Deflector as a low cost, highly profitable, premium Gold-Copper project**

##### Key Outcomes:

- **Estimated average Life of Mine Cash Operating Cost of \$617 per oz Au Equivalent (Eq)**
- **Initial Life of Mine of 7 years**
- **Initial total production forecast of 382,000 oz Au Eq including, 314,475 oz Au, 14,432 tonnes of Cu and 344,604 oz of Ag**
- **Estimated Net Operating Cash Flow of \$342 million**
- **Net Operating Cash Flow after debt (project finance) and taxes of \$171 million**
- **EBITDA of \$323 million**
- **Net Profit of \$171 million**
- **NPV at 8% of \$103 million**
- **Capital costs for plant construction of \$66 million**
- **Capital Costs for mine construction of \$21 million**
- **IRR of 43%**

**NB: In this announcement all currency is denominated in Australian Dollars**



## Key Bankable Feasibility Study Outcomes

The initial mine plan allows for a 7 year Mine Life commencing with a 2 year open pit followed by 5 years underground.

Production will commence at 480,000 tonnes per annum in the open pit, followed by 360,000 tonnes per annum in years 3 to 7 from the underground mining operation - resulting in total metal production of 382,000 oz Au Eq (including 314,475 oz Au, 14,432 t of Cu and 344,604 oz of Ag).

The key financial outcomes confirm the technical and economic viability of the Deflector Gold-Copper Project, paving the way for the development of the project at an initial production rate of 55,000 oz Au Eq (annual range 44,600 (1<sup>st</sup> year) to 61,612 oz Au Eq) with a forecast low average operating cash cost of \$617 per oz Au Eq and initial mine life of 7 years.

In financial terms, the feasibility study shows Deflector to be a highly profitable, low cost, high gold grade project with significant gold recoveries, robust mine inventory and a vast scope to increase resources, profit and mine life.

The project generates an initial net operating Cash Flow of \$341 million (m) from which Mutiny can readily service the Company's Project Finance Facility (debt plus interest), government charges and taxes. The feasibility forecasts EBITDA of \$323m (annual average \$46m) and a net profit (after interest, taxes and depreciation) of \$171m (annualised return of \$25m).

Mutiny Gold Managing Director, John Greeve commented; "This highly sophisticated Bankable Feasibility Study supports the years of hard work Mutiny Gold, its staff and its consultants have dedicated to bringing the Company to the verge of being a significant gold and copper producer.

Importantly, while Deflector is now proven to be a high quality, high value asset, this is just the first stage of what the Company believes will be a long and successful development train.

The Company is progressing on an updated Resource Model which will include high grade intersections reported in its recently completed extensional Deflector drill program announcement. We are now planning for Deflector to be the platform for Mutiny to grow into a far larger gold and copper producing operation. The Company is well positioned to achieve this goal, especially given the low operating cost of \$617 per ounce and the development upside both in the rate of production and target increase in gold ounces.

For example, the Mine Inventory used in the BFS didn't include the results of our recent drilling program where we had high grade intersections including 11m at 14g/t Au and 4m at 10.23 g/t Au. A new Resource will be used to generate new Mine Programs, Reserves and Mining Inventory. Mutiny expects that the revised feasibility study, incorporating recent drilling results, will lift mining production with only marginal additional financial capital costs."

## Geology and Mineral Resources

The Deflector mineralisation is hosted by a series of northeast trending sulphidic quartz lodes that cut basalt and a minor sedimentary unit within the Gullewa Greenstone Belt. Three main, steeply dipping lodes sets are present: the West Lode, the Central Lode, and the Contact Lode. The lodes contain moderately plunging shoots of high-grade gold and gold-silver-copper mineralisation. Three sulphide oxidation domains have been recognised within the lode mineralisation: oxide, transition, and primary. The oxide mineralisation is characterised by the presence of iron oxides and the copper minerals malachite, azurite, chrysocolla, cuprite, and native copper; the transition zone by chalcocite, bornite, covellite, chalcopyrite, and pyrite; and the primary zone by chalcopyrite and pyrite.



Significant mineralisation has been intersected within the West and Central Lodes over a distance of 1000m, which is also the limit of systematic drilling within the mineralised corridor. The mineralisation is open along strike in both directions. Reported resources within the lodes extend to a maximum depth of 380m below surface, the limit of present drilling. The lodes are open at depth along their entire known lengths.

The Deflector Mineral Resources are summarised in Table 8. They were estimated prior to the receipt of recent drill-hole assays, which have been previously announced and which are displayed as pierce points on the long sections on Figures 4 and 5. These later results are presently being incorporated in a revised resource estimate that can be expected to increase the size of the resources available for both open pit and underground mining.

### **Mining Method and Ore Reserves**

Mutiny will mine the Deflector Ore Body for an initial 2 years open pit and initial 5 years underground.

The open pit will be mined using selective drill and blast methods utilising 100 tonne hydraulic excavators for overburden and ore removal and 55 tonne trucks for ore and waste haulage. Ore will be drilled, blasted and excavated on 5m benches.

The mining method applied to the underground is conventional jumbo development and long hole open stoping. Stoping will follow a top-down sequence, commencing at the extremities of each level and retreating to the level of access. Rib pillars will remain between adjacent stopes to maintain mine stability. No backfilling of the stope voids is planned. However, there may be opportunities in parts of the mine to dispose of waste rock in stope voids which would reduce the truck haulage requirements.

This methodology reduces development metres and provides quick access to ore, requiring minimal capital to be spent upfront whilst maximising recovery of the ore body.

### **Ore Reserves**

The Life of Mine Inventory includes Ore Reserves and Inferred Resources (Table 9) that have been evaluated using all mining modifying factors.

The surface mining reserve has been optimised by Xstract Mining Consultants using Minesite commercial software to generate an optimal pit shell on Deflector. The open pit Ore Reserve (Table 11) is that part of the Mineral Resource which can be economically mined by open pit mining methods. Dilution of the Mineral Resource and allowance for ore loss were included in the Ore Reserve estimate. The open pit Ore Reserves are based upon JORC code standards of reporting. Only measured and indicated resources have been used.

### **Underground Reserves**

The underground mining reserve (Table 14) has been optimised by mining consultants Entech Pty Ltd using Mine 2-4D commercial software to generate the optimised development and stope shapes for Deflector.

The underground Ore Reserve is that part of the Mineral Resource which can be economically mined by underground mining methods. Dilution of the Mineral Resource and allowance for ore loss was included in the ore reserve estimate.

### **Mineral Processing**

The plant is comprised of conventional jaw and cone crushers, primary ball mill, gravity recovery centrifuges, flotation circuits, concentrate thickener and filter followed by tailings storage; all at a design capacity of 480 ktpa for oxide and transition ore and 320 ktpa for the primary ore.



- *Crushing Ore and Storage:* ore extracted from the mine will be trucked to the surface and delivered to the ROM pad where it will be stockpiled. It will then be fed through a three stage crushing process. The Primary Crusher will be a single toggle jaw crusher with the Secondary and Tertiary Crushers being cone crushers.
- *Grinding:* crushed ore will be ground using a 3.8m diameter 5.2m long primary ball mill with 1300kw motor.
- *Gravity Recovery:* gravity recovery will be used to recover the gravity gold via two centrifugal concentrators.
- *Rougher Flotation:* rougher flotation comprises a bank of eight forced air mechanically agitated cells (8m<sup>3</sup> each).
- *Cleaner Flotation:* cleaner flotation comprises of a bank of five forced air mechanically agitated cells.
- *Concentrate Dewatering:* concentrate from the cleaner circuit is pumped to the 5m diameter high rate concentrate thickener followed by a concentrate filter to produce a cake for bagging and transport.
- *Tailings Storage:* an existing tailing storage facility will be expanded for the project, with adequate capacity to store 7 years of process tailings.
- *Total Recovery:* total recovery of gold is 93% including gravity flotation (refer Table 12).

#### Metals Price and Hedge

Mutiny carefully selected the metals prices used in this report based on forecasts by leading banks and advice from industry consultants.

Table 13 shows the London Metals Exchange Forward Gold Prices for the next 5 years with the average gold price being \$1789 per oz Au which confirms Mutiny's Gold price selection of \$1700. In addition, Mutiny already has 50,000 oz Au of gold hedged at an average price of \$1847.

**Table 1 – Key Parameters and Economics**

<b>Average Ore Production</b>	<b>330,000 tpa</b>
Mining Inventory	2,480,000 tonnes
Average Head Grade over Life of Mine	4.4 g/t Au, 0.7% Cu, 5.4 g/t Ag
Recovered Gold Equivalent Ounces	382,000 oz Au Eq
Recovered Metals	314,475 oz Au, 344,604 oz Ag, 14,432 t Cu
Cash costs per ounce	\$617 oz Au Eq
Capital Expenditure – Plant	\$66 million
Minesite Construction Cost including pre-strip	\$21 million
Assumed Gold Price	\$1700 / oz Au
IRR	43%
NPV 8%	\$103 million
EBITDA	\$323 million
EBIT	\$234 million
Net Operating Cash Flow	\$342 million
Life of Mine	7 years
Net profit after capital costs, interest and tax	\$171 million

**Table 2 – Feasibility Study Consultants**

Component	Advisor
Project Management and Control	Laurie Mann, Mutiny Gold Ltd
Geology Resource Definition	Lynn Widenbar, Widenbar & Associates Pty Ltd; John Doepel, Continental Resource Management Pty Ltd
Open Pit Mining	Xstract Mining Consultants Pty Ltd
Underground Mining	Entech Pty Ltd
Environmental and Permitting	Colin Woolard, Woolard Consulting Pty Ltd
Metallurgy	Allan Brown, Mutiny Gold Ltd; Colette Kock; GR Engineering Services Limited; SGS Lakefield Oretest (SGS Australia Pty Ltd)
Process Plant Development and Costing	GR Engineering Services Limited
Tailings Storage Facility Review	DE Cooper & Associates
Financial Analysis of Project	Mutiny Gold Ltd; Kenny Chew, Corality Financial Group

**Table 3 – Capital Cost Breakdown**

Costs	\$Million
Construction Cost - Processing Plant	\$57.5
Construction Cost – Accommodation Village	\$9
Construction Cost – Mine (including pre-strip)	\$20.5
<b>TOTAL</b>	<b>\$87</b>

**Table 4 – Shows Key Operating Cost Components**

Costs	\$Million
Mining	\$187
Processing	\$85
Concentrate Cartage	\$6
Site Administration	\$30
<b>TOTAL</b>	<b>\$308</b>

**Table 5 – Mining Costs Breakdown**

Costs	\$Million
Mobilisation and Mine Cost Services	\$16
Open Pit Mining	\$52
Jumbo Development	\$73
Vertical Development	\$13
Other Underground	\$18
Ore Haulage	\$15
<b>TOTAL</b>	<b>\$187</b>



Table 6 – Financial Review

Items	\$Million
Total Revenue	\$651
Total Operating Costs	\$(309)
<b>Net Operating Cash Flow</b>	<b>\$342</b>
Less	
Royalties	\$(19)
Capital Costs	\$(87)
Tax Payable	\$(55)
Debt Charges	\$(10)
<b>Net Operating Profit</b>	<b>\$171</b>
<b>NPV 8%</b>	<b>\$103</b>

Table 7 – Income Statement in Financial Years (AUD '000)

A\$000	Total	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	651,339	-	76,418	101,297	88,965	87,367	91,611	101,263	104,418
Operating costs	(327,695)	-	(46,392)	(68,210)	(48,986)	(51,538)	(50,265)	(41,218)	(21,086)
EBITDA	323,644	-	30,027	33,087	39,979	35,829	41,346	60,045	83,332
EBITDA margin	49.69%	-	39.29%	32.66%	44.94%	41.01%	45.13%	59.30%	79.80%
Depreciation	(89,580)	-	(12,297)	(16,605)	(16,634)	(16,592)	(16,867)	(6,997)	(3,589)
EBIT	234,064	-	17,730	16,482	23,345	19,237	24,480	53,048	79,742
Interest income	1,617	-	102	356	357	356	356	90	-
Interest payable	(9,530)	-	(2,486)	(2,807)	(2,110)	(1,406)	(672)	(49)	-
EBT	226,151	-	15,346	14,031	21,592	18,187	24,164	53,088	79,742
Tax payable	(55,594)	-	-	-	(2,579)	(5,506)	(7,299)	(15,939)	(24,272)
NPAT	170,556	-	15,346	14,031	19,012	12,682	16,865	37,149	54,470
NPAT margin	26.19%	-	20.08%	13.85%	21.37%	14.52%	18.41%	36.69%	52.10%

Table 8 – Deflector Deposit Mineral Resources

Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	Cu (t)	Ag (g/t)	Ag (oz)	Au Eq (oz)
Measured	1,036,358	5.7	191,110	1.54	15,960	11.45	381,510	282,589
Indicated	1,310,123	3.9	162,538	0.40	5,240	3.15	132,683	192,696
<b>Measured &amp; Indicated</b>	<b>2,346,481</b>	<b>4.7</b>	<b>353,648</b>	<b>0.90</b>	<b>21,200</b>	<b>6.82</b>	<b>514,193</b>	<b>475,285</b>
Inferred	912,017	6.1	178,041	0.60	5,472	3.93	115,236	209,146
<b>Totals</b>	<b>3,258,498</b>	<b>5.1</b>	<b>531,689</b>	<b>0.82</b>	<b>26,673</b>	<b>6.01</b>	<b>629,428</b>	<b>684,430</b>

**Table 9 – Deflector Deposit LOM Production Statement by Resource Classification**

Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	Cu (t)	Ag (g/t)	Ag (oz)	Au Eq (oz)
Measured	523,000	4.1	69,000	0.6	3,000	6.7	113,000	87,000
Indicated	1,440,000	3.9	179,000	0.9	12,530	5.6	258,000	250,000
Inferred	513,000	6.1	101,000	0.5	3,000	3.5	57,000	112,000
<b>LOM Production*</b>	<b>2,478,000</b>	<b>4.4</b>	<b>349,000</b>	<b>0.7</b>	<b>17,530</b>	<b>5.4</b>	<b>429,000</b>	<b>450,000</b>

The Gold Equivalence Calculation represents total metal value for each metal, summed and expressed in equivalent gold grade or ounces.

The metal prices used in the calculation were US\$1,500/oz Au, US\$8,000/t Cu, US\$25.0/oz Ag.

\*LOM Production = The LOM Production total includes Inferred Resources that have been evaluated using all mining modifying factors; however the current drill density for this Inferred Resource does not allow for conversion to Indicated Resource category and subsequently to a Reserve category.

Note – Totals may appear incorrect due to appropriate rounding.

**Table 10 – Deflector Deposit Ore Reserve Statement**

Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	Cu (t)	Ag (g/t)	Ag (oz)	Au Eq (oz)
Proven	519,000	4.0	67,000	0.6	3,000	6.7	112,000	85,000
Probable	1,431,000	3.8	176,000	0.9	12,530	5.6	256,000	247,000
<b>Total Reserve</b>	<b>1,950,000</b>	<b>3.9</b>	<b>243,000</b>	<b>0.8</b>	<b>15,530</b>	<b>5.9</b>	<b>368,000</b>	<b>332,000</b>

The Gold Equivalence Calculation represents total metal value for each metal, summed and expressed in equivalent gold grade or ounces.

The metal prices used in the calculation were US\$1,500/oz Au, US\$8,000/t Cu, US\$25.0/oz Ag.

Note – Totals may appear incorrect due to appropriate rounding.

**Table 11 – Deflector Deposit Open Pit Ore Reserve Statement**

Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	Cu (t)	Ag (g/t)	Ag (oz)	Au Eq (oz)
Probable	908,000	3.26	95,000	1.05	9,500	6.43	187,000	149,000

The Gold Equivalence Calculation represents total metal value for each metal, summed and expressed in equivalent gold grade or ounces.

The metal prices used in the calculation were US\$1,500/oz Au, US\$8,000/t Cu, US\$25.0/oz Ag.

Note – Totals may appear incorrect due to appropriate rounding.

**Table 12 – Deflector Deposit Metallurgical Recoveries**

Ore Type	Gold Recovery			Copper Recovery	
	Gravity	Flotation	Total	Total	Grade
Oxide	39%	39%	78%	55%	35%Cu
Transition	45%	49%	94%	84%	20%Cu
Fresh	56%	35%	91%	93%	23%Cu



Table 13 – London Metal Exchange Gold Forwards (as at 2nd July 2012)

Years Forward	\$ per oz Au
1	\$1651
2	\$1711
3	\$1782
4	\$1861
5	\$1940
<b>Total</b>	<b>\$8945</b>
<b>Average</b>	<b>\$1789</b>

## MAIDEN HIGH GRADE ORE RESERVES FOR DEFLECTOR

### Highlights:

- Deflector 7 Year 'Life of Mine' production plan of 450,000 ounces gold equivalent
- Includes Ore Reserves of 332,000 ounces gold equivalent
- Major upside pending as latest drill results (announced 27 April and 21 May) are not included in resource - reserve statement.

### Deflector Resource Update

Mutiny Gold has produced the economic analyses using a new updated resource model produced by Widenbar and Associates. This model is based on an Ordinary Kriged estimation using Micromine software, after a new interpretation was generated by Xtract Mining Consultants. The estimate includes the infill drilling completed by the company, but **does not include the recently reported high grade intersections from the 2012 exploration program.**

This latest estimation was performed using Ordinary Kriging. The original reported resource calculations were completed using an Inverse Distance Squared method of estimation. The benefits of changing the methodology is that it is a more robust and conservative estimation for the project.

The latest re-optimisation of Deflector contains mineral resources of 3.26Mt @ 5.1g/t gold, 6.01g/t silver and 0.82% copper for **532,000oz gold**, 630,000oz silver and 27,000t copper - of which Measured and Indicated Resources total 2.35Mt @ 4.7g/t gold, 6.82g/t silver and 0.90% copper for 354,000oz of gold, 514,000oz silver and 21,000t of copper (see Table 8 above).





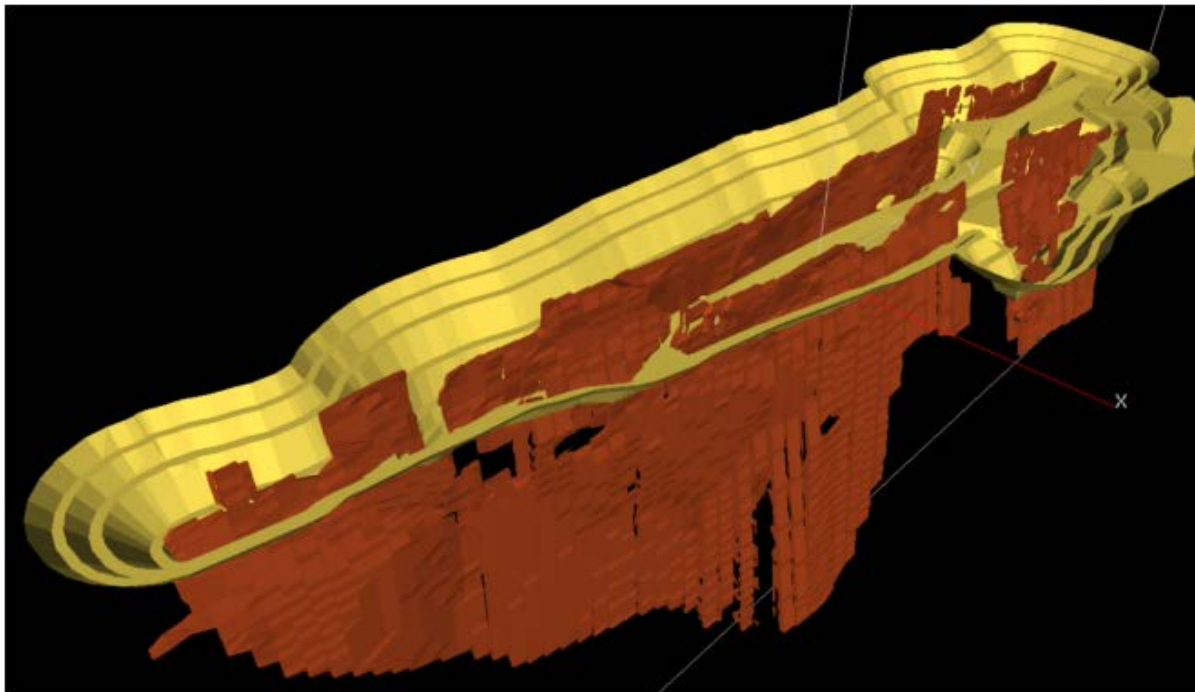
### Open Pit Reserves

The surface mining reserve has been optimised by Xstract Mining Consultants using Minesite commercial software to generate an optimal pit shell on Deflector.

The ore reserve is that part of the mineral resource which can be economically mined by open pit mining methods. Dilution of the mineral resource and allowance for ore loss were included in the ore reserve estimate. The open pit ore reserves are based upon JORC code standards of reporting, only indicated resources are used and are summarised in Table 11 above.

- Ore reserves are based on a cut-off grade of AUD\$50 Net Smelter Return (“NSR”) value for the material classifications of:
  - 1.32g/t Au equivalent for oxide
  - 1.16g/t Au equivalent for transition
  - 1.17g/t Au equivalent for fresh material.
- A minimum mining width of 2 metres and a 0.3m dilution envelope has been applied reflecting mining equipment constraints.
- Metal price assumptions for ore reserves are US\$1,700 per ounce of gold, US\$9,000 per tonne of copper and US\$40 per ounce of silver, with a foreign exchange rate of US\$/AUD\$ 1.05.
- Throughput rates used were 480,000tpa for oxide and transition material and 320,000tpa for fresh material.
- Slope angles used in the ore reserve estimation were based on previous geotechnical studies from Snowden Group and were a base recommendation by Xstract Mining Consultants.

Figure 1 – Deflector Optimised Pit Design





### Underground Reserves

The underground mining reserve has been optimised by Entech Mining Consultants using Mine 2-4D commercial software to generate the optimised development and stope shapes for Deflector.

The ore reserve is that part of the mineral resource which can be economically mined by underground mining methods. Dilution of the mineral resource and allowance for ore loss were included in the ore reserve estimate.

The underground ore reserves are based upon JORC code standards of reporting. Measured and indicated resources are used and are summarised in Table 14.

**Table 14 – Deflector Deposit Underground Ore Reserve Statement**

Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	Cu (t)	Ag (g/t)	Ag (oz)	Au Eq (oz)
Proven	519,000	4.0	67,000	0.6	3,000	6.7	112,000	85,000
Probable	523,000	4.8	81,000	0.5	3,000	4.1	69,000	98,000
<b>Total Reserve</b>	<b>1,042,000</b>	<b>4.4</b>	<b>148,000</b>	<b>0.5</b>	<b>6,000</b>	<b>5.4</b>	<b>181,000</b>	<b>183,000</b>

*The Gold Equivalence Calculation represents total metal value for each metal, summed and expressed in equivalent gold grade or ounces.*

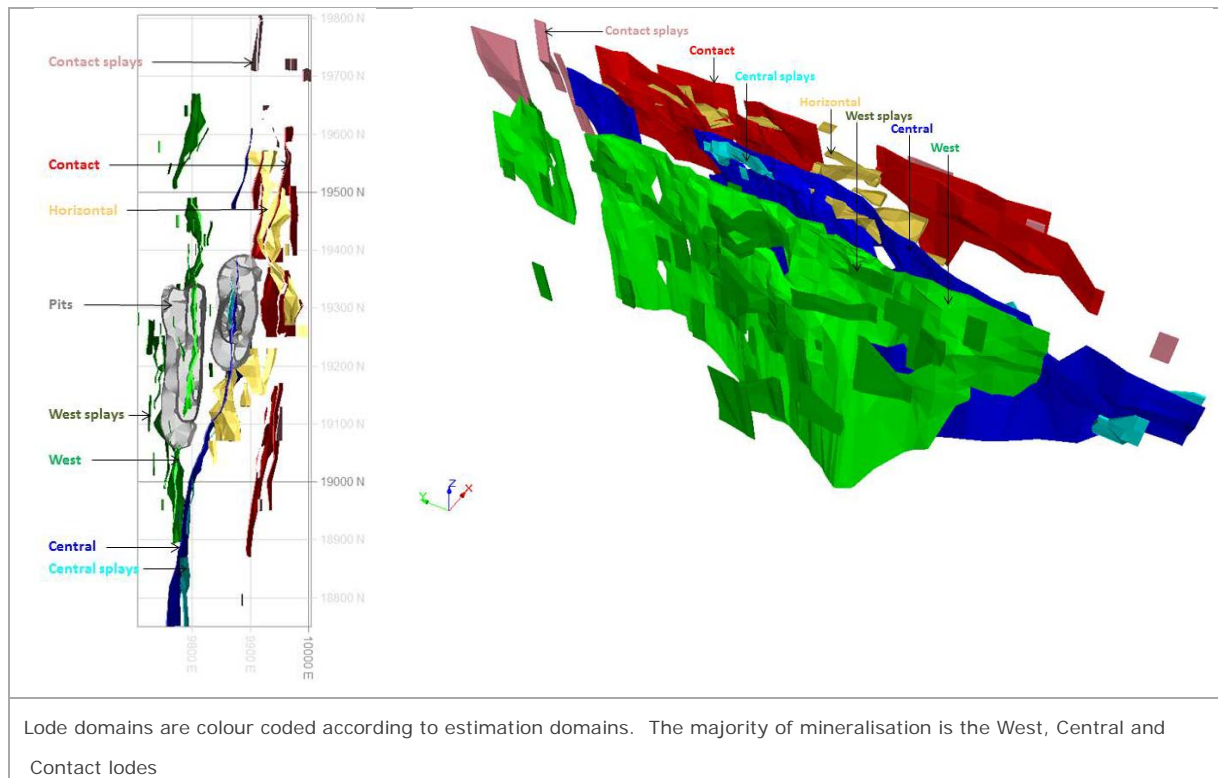
*The metal prices used in the calculation were US\$1500/oz Au, US\$8000/t Cu, US\$25.0/oz Ag.*

*Note – Totals may appear incorrect due to appropriate rounding.*

- Ore reserves are based on a cut-off grade of AUD\$145 NSR value per tonne.
- The mining method at Deflector is long hole open stoping with a minimum mining width of 2 metres being applied reflecting mining equipment constraints.
- Metal price assumptions for ore reserves are US\$1,700 per ounce of gold, US\$9,000 per tonne of copper and US\$40 per ounce of silver, with a foreign exchange rate of US\$1.00/AUD\$ 1.05.
- Throughput rates used were 320,000tpa for fresh material.
- A review of the geotechnical reports from Snowden Group and Dempers & Seymour into the stability and ground support requirements was undertaken and recommendations for support regimes and dilution were incorporated into the generation of the reserve statement.
- A state royalty of 2.5% was applied to the reserves, and mining costs were derived from contractor estimates obtained as part of the original Scoping Study.
- Metallurgical recovery data was based on studies undertaken by an independent third party (SGS) and reviewed by Design Engineers (GR Engineering Services Ltd).



Figure 2 – Plan and three-dimensional view of Deflector



## DEFLECTOR DRILL CAMPAIGN RESULTS

During the quarter Mutiny received the final assays, with further encouraging results, from its latest drilling campaign at the Deflector Deposit.

### Highlights

- **Bonanza Drill results extended and expanded the Deflector Deposit mineralisation**
- **High intersections from shallow drilling add to open pit resources to the north of the Deflector Central Lode**
- **Deflector mineralisation extended down dip**
- **Reported results will have positive implications for project economics and potential mine life, as well as contributing to Mineral Resource upgrade for Deflector expected in Q3 2012**
- **Results included:**
  - **16m @10.7g/t Au and 0.2% Cu from 56m in 12DRC102**
  - **2m @ 57.1/t gold and 0.2% copper from 92m in 12DRC107**
  - **5m @ 41.8g/t gold and 0.3% copper from 218m in 12DD071**
  - **4m @ 30.7g/t gold and 0.9% copper from 146m in 12DD070**
  - **5m @ 23.9g/t gold and 0.5% copper from 162m in 12DD075**



The results were received from Mutiny's most recent (completed March 2012) drilling program at the Deflector Deposit. The 15,000m program, as announced in December 2011 and expanded in February 2012, was designed to target strike extensions in the Northern zone of the Deflector Deposit and at depth and along strike at the Central and Contact lodes. The program was also designed to provide further infill drilling to improve the quality of the Mineral Resources, both for the current feasibility study and for future expansion phases.

**The results, which extend mineralisation at depth and along strike, will be incorporated into the revised resource estimation, scheduled to be released in Q3 2012.**

The results also increase Mutiny's confidence in the overall prospectivity of the Blue Beard corridor in which the Deflector Deposit is hosted, showing the potential for high grade, wide zones of mineralisation.

#### **Deflector Exploration Drill Results – Central Lode Extensions and Infill**

In addition to the previously released surface and down dip results from the West Lode (ASX, 8 March 2012), the Central Lode at Deflector has also developed. Central Lode intersections of the existing Deflector Resource include:

- 2m @ 57.1g/t Au and 0.2% Cu from 92m in 12DRC107
- 5m @ 41.8g/t Au and 0.3% Cu from 218m in 12DD071
- 4m @ 30.7g/t Au and 0.9% Cu from 146m in 12DD070
- 5m @ 23.9g/t Au and 0.5% Cu from 171m in 12DD075
- 2m @ 22.7g/t Au and 1.0% Cu from 104m in 12DRC105
- 5m @ 11.1g/t Au and 0.1% Cu from 65m in 12DD087
- 2m @ 12.6g/t Au and 0.9% Cu from 50m in 12DRC111
- 3m @ 12.5g/t Au and 4.3% Cu from 186m in 12DD059
- 2m @ 11.2g/t Au and 0.0% Cu from 106m in 12DD059
- 2m @ 11.0g/t Au and 0.2% Cu from 130m in 11DRC086
- 6m @ 8.7g/t Au and 0.6% Cu from 209m in 12DD090
- 2m @ 9.64g/t Au and 1.10% Cu from 209m in 12DD90
- 2m @ 21.35g/t and 1.06% Cu from 193m in 12DD091
- 3m @ 8.2g/t Au and 0.0% Cu from 47m in 12DRC105
- 3m @ 8.1g/t Au and 0.4% Cu from 58m in 12DD059
- 5m @ 8.0g/t Au and 0.4% Cu from 153m in 12DD074
- 10m @ 7.5 g/t Au and 1.0% Cu from 148m in 12DD084
- 5m @ 5.0 g/t Au and 0.3% Cu from 187m in 12DD083
- 6m @ 3.5g/t Au and 0.2% Cu from 11m in 12DD052

*Of interest to note is the repetition of mineralised intersections in some holes, delineating a number of parallel lodes present at depth within the deposit. The intersection of wide zones of mineralisation in the pre-collar of 12DD059 at shallow depths is adding tonnes to the open pit and widening the overall optimised shell. This will add flexibility in the mining sequence and add substantial tonnes per vertical metre to the deposit.*



### **Deflector Exploration Drill Results – West Lode Extensions**

Deeper diamond drilling was carried out to extend underground resources of the West Lode to the north of the Deflector Fault. Drill-hole locations are shown on Figure 3.

West Lode intersections down dip of the existing Deflector resources include:

- **2m @ 38.8g/t Au and 0.5% Cu from 211m in 12DD092;**
- **2m @ 20.6g/t Au and 2.2% Cu from 201m in 12DD079;**
- **5m @ 10.3g/t Au and 1.1% Cu from 209m in 12DD096;**
- **2m @ 13.0g/t Au and 3.1% Cu from 163m in 12DD045;**
- **4m @ 8.0g/t Au and 0.9% Cu from 199m in 12DD080;**
- **17m @ 2.3g/t Au and 0.0% Cu from 235m in 12DD064;**

These assays and their locations in the West Lode have added a potential block of ore 200m in length and 100m in height to the underground mine. With grades ranging to over 1 oz/t, it all leads to a substantial upgrade in the upcoming resources and reserves report.

## **CORPORATE ACTIVITIES**

### **Project Finance**

During the Quarter, Mutiny has been actively involved in securing project finance including the commencement of the bank review process and contractual discussions regarding structured finance options with financial institutions including Credit Suisse.

Credit Suisse has commenced working with Mutiny on concluding project finance arrangements for the Deflector Project. An independent technical evaluation of the Deflector Bankable Feasibility Study by consultants selected by Credit Suisse is underway.

Whilst negotiations on a final supplemental Commercial Agreement are ongoing, it is significant that the first deposit of USD\$4m relating to this Commercial Agreement, intended to supplement bank project finance and minimize shareholder dilution, has been received with the full consent and support of Credit Suisse.

**About Mutiny Gold**

Mutiny Gold Ltd is a diversified resource company focused on the exploration and development of its gold, copper and nickel tenements in Western Australia. The Company's lead project is the Deflector Gold Copper Deposit which is within the Gullewa tenements located in the South Murchison region of Western Australia. The Company intends to become a significant gold producer with a focus on commencing production at its Deflector and White Well Deposits. Currently Deflector Deposit, resources stand at 532,000 ounces Au and 26,000t Cu, with significant resource expansion targeted through ongoing, systematic exploration at Deflector. Exploration continues at other highly prospective Gullewa gold targets. Mutiny Gold, through a balanced mix of exploration and development, is on track to become a significant gold and copper producer for the benefit of all stakeholders.

**Competent Persons Statement:**

*The Open Pit mining aspects in this report which relates to Mining Reserve is based upon a review of the Xstract Reserve Report by Mr. Brett Hampel – Resident Manager – Deflector Project. Mr Hampel is a member of the Australasian Institute of Mining and Metallurgy and has sufficient expertise and experience which is relevant to the style of mineralisation and to the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Hampel consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.*

**Competent Persons Statement:**

*The Open Pit mining aspects in this report which relates to Mining Reserve is based upon information compiled by Mr. Tim Horsley – B.Sc. (Mining Engineering), Principal Consultant – Mining of Xstract Mining Consultants. Mr Horsley is a member of the Australasian Institute of Mining and Metallurgy and has sufficient expertise and experience which is relevant to the style of mineralisation and to the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Horsley consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.*

**Competent Persons Statement:**

*The Underground mining aspects in this report which relates to Mining Reserve is based upon information compiled by Mr Shane McLeay – B.Eng , Principal Consultant – Mining of Entech Pty Ltd. Mr McLeay is a member of the Australasian Institute of Mining and Metallurgy and has sufficient expertise and experience which is relevant to the style of mineralisation and to the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr McLeay consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.*

**Competent Persons Statement:**

*The Geological aspects in this report which relates to Mining Resource is based upon information compiled by Mr. Lynn Widenbar, Principal Consultant – Widenbar and Associates. Mr Widenbar is a member of the Australasian Institute of Mining and Metallurgy and has sufficient expertise and experience which is relevant to the style of mineralisation and to the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Widenbar consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.*

**Competent Persons Statement:**

*The Metallurgical aspects in this report which relates to Mining Reserve is based upon information compiled by Mr. Alan Brown, Non-Executive Director, Mutiny Gold. Mr Brown is a member of the Australasian Institute of Mining and Metallurgy and has sufficient expertise and experience which is relevant to the style of mineralisation and to the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Brown consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.*

**Competent Persons Statement:**

*The Exploration aspects in this report which relates to Corporate Exploration Target is based upon information compiled by Mr. John Doepel, Principal Geologist – Continental Resource Management. Mr Doepel is a member of the Australasian Institute of Mining and Metallurgy and has sufficient expertise and experience which is relevant to the style of mineralisation and to the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Doepel consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.*

**Forward Looking Statements**

*All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Mutiny Gold Limited (Mutiny) are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’, ‘expects’ or ‘intends’ and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Mutiny, that could cause Mutiny’s actual results to differ materially from the results expressed or anticipated in these statements.*

*The company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Mutiny does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.*

For further information, please contact:

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Figure 3

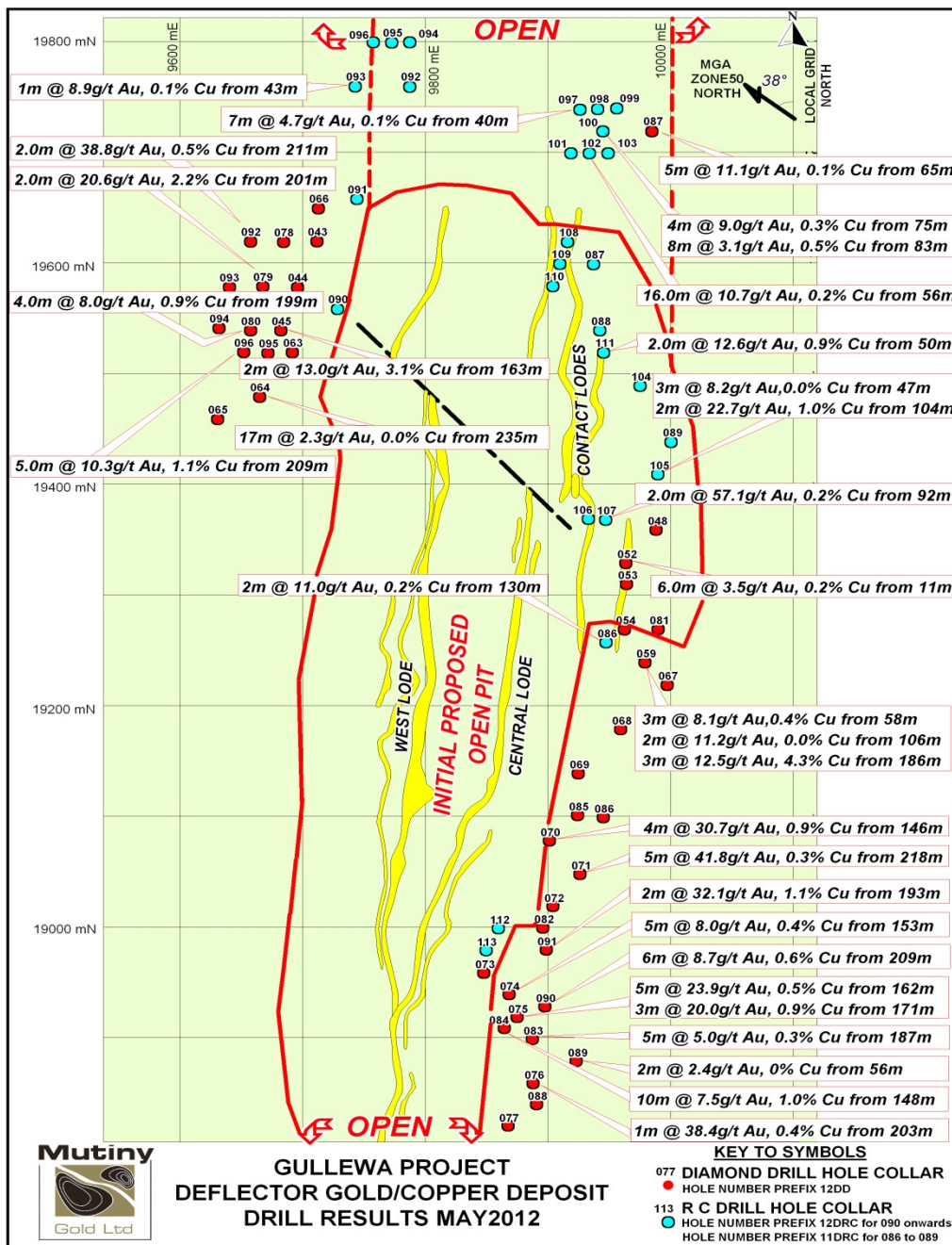






Figure 4

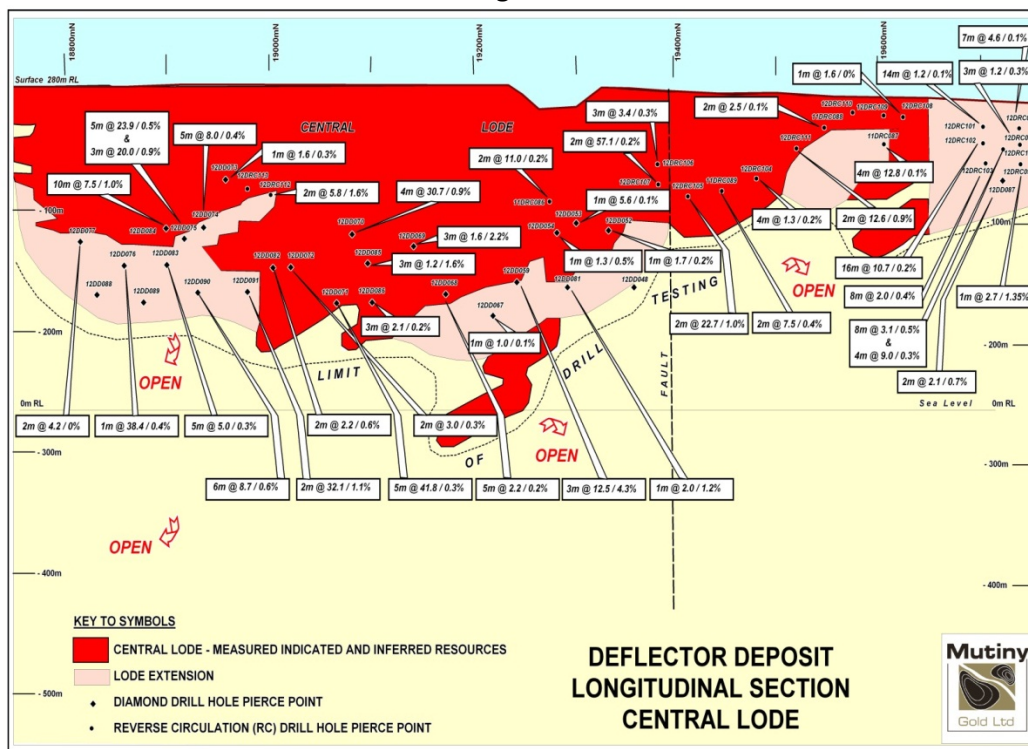


Figure 5

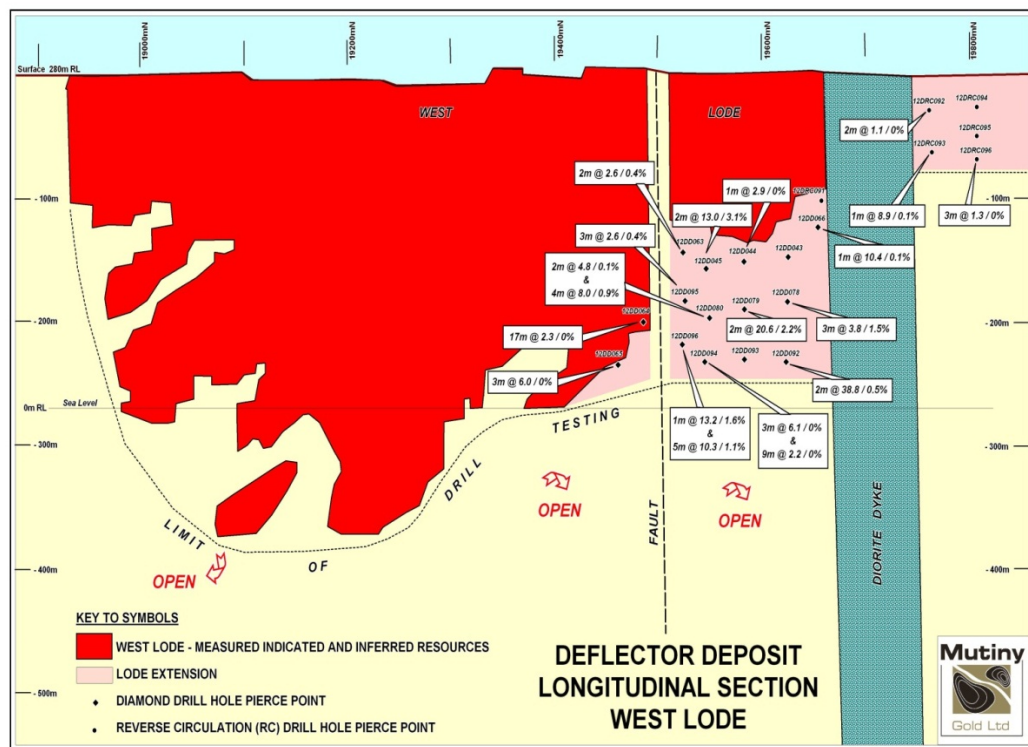




Table 15 – Drill Hole Assay Results

HOLE	FROM (m)	TO (m)	INTERVAL (m)	Gold (g/t)	Copper (%)
11DRC086	130	132	2	11.0	0.2
11DRC088	40	42	2	2.5	0.1
11DRC089	34	39	5	1.6	0
11DRC089	112	114	2	7.5	0.4
12DD044	172	173	1	2.9	0.0
12DD045	31	32	1	0.1	1.6
12DD045	178	179	1	2.5	0.0
12DD045	163	165	2	13.0	3.1
12DD052	58	59	1	1.5	0.0
12DD052	137	138	1	1.7	0.2
12DD052	62	64	2	2.1	0.1
12DD052	11	17	6	3.5	0.2
12DD053	15	17	2	1.9	0.3
12DD053	62	63	1	5.6	0.1
12DD054	45	46	1	1.1	0.0
12DD054	157	158	1	1.3	0.5
12DD054	67	68	1	4.2	0.2
12DD054	17	22	5	3.2	0.2
12DD059	34	35	1	1.4	0.0
12DD059	106	108	2	11.2	0.0
12DD059	58	61	3	8.1	0.4
12DD059	186	189	3	12.5	4.3
12DD063	202	203	1	1.2	0.5
12DD063	152	154	2	2.6	0.4
12DD064	255	256	1	1.3	0.0
12DD064	235	252	17	2.3	0.0
12DD065	281	284	3	6.0	0.0
12DD066	135	136	1	1.2	0.0
12DD066	142	146	4	1.1	0.4
12DD066	138	139	1	10.4	0.1
12DD067	218	219	1	1.0	0.1
12DD068	224	229	5	2.2	0.2
12DD069	17	19	2	2.1	0.0
12DD069	163	166	3	1.6	2.2
12DD069	23	29	6	0.8	0.0
12DD070	146	150	4	30.7	0.9
12DD071	218	223	5	41.8	0.3
12DD072	199	201	2	3.0	0.3
12DD073	125	126	1	1.3	0.2
12DD073	134	135	1	1.6	0.3
12DD073	97	99	2	5.7	1.4
12DD074	153	158	5	8.00	0.4
12DD075	171	174	3	20.0	0.9
12DD075	162	167	5	23.9	0.5
12DD076	203	204	1	38.4	0.4
12DD077	176	178	2	4.2	0.0
12DD078	179	180	1	1.1	0.0
12DD078	161	164	3	3.8	1.5
12DD079	210	211	1	4.2	0.0
12DD079	232	233	1	5.3	0.2
12DD079	201	203	2	20.6	2.2
12DD080	171	173	2	4.8	0.1
12DD080	199	203	4	8.0	0.9



HOLE	FROM (m)	TO (m)	INTERVAL (m)	Gold (g/t)	Copper (%)
12DD081	179	180	1	2.0	1.2
12DD081	57	60	3	3.1	0.1
12DD082	184	186	2	2.2	0.6
12DD083	70	73	3	2.0	0.2
12DD083	187	192	5	5.0	0.3
12DD084	148	158	10	7.5	1.0
12DD085	175	178	3	1.2	1.6
12DD086	11	12	1	2.5	0.1
12DD086	229	232	3	2.1	NYR
12DD086	15	22	7	1.2	0.1
12DD087	134	136	2	2.1	0.7
12DD087	65	70	5	11.1	0.1
12DD089	56	58	2	2.4	0.0
12DD090	209	215	6	8.7	0.6
12DD091	193	195	2	32.1	1.1
12DD092	278	279	1	1.1	0.3
12DD092	198	199	1	1.2	0.1
12DD092	211	213	2	38.8	0.5
12DD094	259	262	3	6.1	0.0
12DD094	265	274	9	2.2	0.0
12DD095	199	200	1	1.0	0.2
12DD095	174	177	3	2.6	0.4
12DD096	195	196	1	13.2	1.6
12DD096	209	214	5	10.3	1.1
12DRC092	40	42	2	1.1	0.0
12DRC093	43	44	1	8.9	0.1
12DRC093	56	57	1	2.7	0.0
12DRC096	90	93	3	1.3	0.0
12DRC097	40	47	7	4.7	0.1
12DRC098	63	66	3	1.0	0.3
12DRC099	86	87	1	2.7	1.35
12DRC100	83	91	8	3.1	0.5
12DRC100	75	79	4	9.0	0.3
12DRC101	33	45	12	1.3	0.1
12DRC102	56	72	16	10.7	0.2
12DRC103	86	94	8	2.0	0.4
12DRC104	84	88	4	1.3	0.2
12DRC105	91	92	1	1.1	0.5
12DRC105	41	43	2	1.3	0.0
12DRC105	30	34	4	1.3	0.0
12DRC105	47	50	3	8.2	0
12DRC105	104	106	2	22.7	1.0
12DRC106	73	76	3	3.4	0.3
12DRC107	18	25	7	2.7	0.1
12DRC107	92	94	2	57.1	0.2
12DRC108	24	25	1	1.6	0.1
12DRC108	28	29	1	1.6	0
12DRC111	28	29	1	1.0	0.7
12DRC111	50	52	2	12.6	0.9
12DRC112	96	98	2	5.8	1.6

## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

**MUTINY GOLD LIMITED**

ABN

72 101 224 999

Quarter ended ("current quarter")

30 June 2012

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	75
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(2,634)	(10,176)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	35	243
1.5 Interest and other costs of finance paid	(97)	(343)
1.6 Income taxes paid	483	483
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(2,804)</b>	<b>(12,027)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		(10,100)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	(6)	(110)
1.10 Loans to other entities	10	10
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)	24	24
<b>Net investing cash flows</b>	<b>28</b>	<b>(10,176)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,776)</b>	<b>(22,203)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(2,776)	(22,203)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	12,198
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	3,886	14,886
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (debt/capital raising costs)	-	(1,738)
<b>Net financing cash flows</b>		3,886	25,346
<b>Net increase (decrease) in cash held</b>		1,110	3,143
1.20	Cash at beginning of quarter/year to date	3,599	1,566
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	4,709	4,709

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	197
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, superannuation and metallurgical consulting for the quarter.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	14,886	14,886
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and feasibility	953
4.2 Development	
4.3 Production	
4.4 Administration	1,065
<b>Total</b>	<b>2,018</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,469	518
5.2 Deposits at call	2,712	2,554
5.3 Bank overdraft	-	-
5.4 Other (Term Deposits against Bank Guarantees)	528	528
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,709</b>	<b>3,600</b>

## Appendix 5B Mining exploration entity quarterly report

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### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	M59/394	Registered owner	100%	0% (tenement sold)
6.2	Interests in mining tenements acquired or increased				

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference <sup>+</sup>securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b><sup>+</sup>Ordinary securities</b>	464,373,622	464,373,622	-	-
	Performance Rights: 5,000,000	0		
7.4 Changes during quarter				
(a) Increases through issues	350,000	350,000	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 <b><sup>+</sup>Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b>	4,500,000	0	<i>Exercise price</i> 10c	<i>Expiry date</i> 30 November 2012
	100,000	0	12.5c	28 June 2013
	56,122,857	56,122,857	5c	23 July 2013
	89,614,584	89,614,584	14c	27 November 2013
	10,000,000	0	15c	21 September 2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>	-			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		



## Appendix 5B Mining exploration entity quarterly report

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### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



John Greeve  
(Managing Director)

Date: 31 July 2012

### Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.